

House File 864 - Enrolled

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HOUSE FILE 864

1 3 AN ACT

1 4 PROVIDING AN EXEMPTION FROM AND A REFUND OF SALES AND USE

1 5 TAXES ON MATERIALS AND SERVICES USED IN THE CONSTRUCTION OF

1 6 A BUILDING OR ADDITION TO A BUILDING TO BE USED AS A

1 7 COLLABORATIVE EDUCATIONAL FACILITY AND INCLUDING EFFECTIVE

1 8 AND APPLICABILITY DATE PROVISIONS.

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1 10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 12 Section 1. Section 423.3, subsection 80, paragraph a, Code

1 13 2005, is amended to read as follows:

1 14 a. For purposes of this subsection, "designated exempt

1 15 entity" means an entity which is designated in section 423.4,

1 16 subsection 1 or 4.

1 17 Sec. 2. Section 423.3, Code 2005, is amended by adding the

1 18 following new subsection:

1 19 NEW SUBSECTION. 85. a. The sales price of all goods,

1 20 wares, or merchandise sold, or of services furnished, which

1 21 are used in the fulfillment of a written construction contract

1 22 for the original construction of a building or structure to be

1 23 used as a collaborative educational facility.

1 24 b. The sales price of all goods, wares, or merchandise

1 25 sold, or of services furnished, which are used in the

1 26 fulfillment of a written construction contract for the

1 27 construction of additions or modifications to a building or

1 28 structure used as part of a collaborative educational

1 29 facility.

1 30 c. To receive the exemption provided in paragraph "a" or

1 31 "b", a collaborative educational facility must meet all of the

1 32 following criteria:

1 33 (1) The contract for construction of the building or

1 34 structure is entered into on or after April 1, 2003.

1 35 (2) The building or structure is located within the

2 1 corporate limits of a city in the state with a population in

2 2 excess of one hundred ninety-five thousand residents.

2 3 (3) The sole purpose of the building or structure is to

2 4 provide facilities for a collaborative of public and private

2 5 educational institutions that provide education to students.

2 6 (4) The owner of the building or structure is a nonprofit

2 7 corporation governed by chapter 504 or 504A which is exempt

2 8 from federal income tax pursuant to section 501(a) of the

2 9 Internal Revenue Code.

2 10 References to "building" or "structure" in subparagraphs

2 11 (1) through (4) include any additions or modifications to the

2 12 building or structure.

2 13 Sec. 3. Section 423.4, Code 2005, is amended by adding the

2 14 following new subsection:

2 15 NEW SUBSECTION. 4. a. The owner of a collaborative

2 16 educational facility in this state may make application to the

2 17 department for the refund of the sales or use tax upon the

2 18 sales price of all sales of goods, wares, or merchandise, or

2 19 from services furnished to a contractor, used in the

2 20 fulfillment of a written construction contract with the owner

2 21 of the collaborative educational facility for the original

2 22 construction, or additions or modifications to, a building or

2 23 structure to be used as part of the collaborative educational

2 24 facility.

2 25 To receive the refund under this subsection, a

2 26 collaborative educational facility must meet all of the

2 27 following criteria:

2 28 (1) The contract for construction of the building or

2 29 structure is entered into on or after April 1, 2003.

2 30 (2) The building or structure is located within the

2 31 corporate limits of a city in the state with a population in

2 32 excess of one hundred ninety-five thousand residents.

2 33 (3) The sole purpose of the building or structure is to

2 34 provide facilities for a collaborative of public and private

2 35 educational institutions that provide education to students.

3 1 (4) The owner of the building or structure is a nonprofit

3 2 corporation governed by chapter 504 or 504A which is exempt

3 3 from federal income tax pursuant to section 501(a) of the

3 4 Internal Revenue Code.
3 5 References to "building" or "structure" in subparagraphs
3 6 (1) through (4) include any additions or modifications to the
3 7 building or structure.
3 8 b. Such contractor shall state under oath, on forms
3 9 provided by the department, the amount of such sales of goods,
3 10 wares, or merchandise, or services furnished and used in the
3 11 performance of such contract, and upon which sales or use tax
3 12 has been paid, and shall file such forms with the owner of the
3 13 collaborative educational facility which has made any written
3 14 contract for performance by the contractor.
3 15 c. The owner of the collaborative educational facility
3 16 shall, not more than one year after the final settlement has
3 17 been made, make application to the department for any refund
3 18 of the amount of the sales or use tax which shall have been
3 19 paid upon any goods, wares, or merchandise, or services
3 20 furnished, the application to be made in the manner and upon
3 21 forms to be provided by the department, and the department
3 22 shall forthwith audit the claim and, if approved, issue a
3 23 warrant to the owner of the collaborative educational facility
3 24 in the amount of the sales or use tax which has been paid to
3 25 the state of Iowa under the contract.
3 26 Refunds authorized under this subsection shall accrue
3 27 interest at the rate in effect under section 421.7 from the
3 28 first day of the second calendar month following the date the
3 29 refund claim is received by the department.
3 30 d. Any contractor who willfully makes a false report of
3 31 tax paid under the provisions of this subsection is guilty of
3 32 a simple misdemeanor and in addition shall be liable for the
3 33 payment of the tax and any applicable penalty and interest.
3 34 Sec. 4. REFUNDS. Refunds of taxes, interest, or penalties
3 35 which arise from claims resulting from the enactment of
4 1 section 423.3, subsection 85, paragraph "a", in section 2 of
4 2 this Act for the exemption of the sales of goods, wares, and
4 3 merchandise, and the furnishing of services used in the
4 4 fulfillment of a written construction contract for the
4 5 original construction of a building or structure to be used as
4 6 a collaborative educational facility occurring between April
4 7 1, 2003, and June 30, 2005, shall not be allowed unless refund
4 8 claims are filed by June 30, 2006, notwithstanding any other
4 9 provision of law.
4 10 Sec. 5. EFFECTIVE AND RETROACTIVE APPLICABILITY DATE.
4 11 Section 2 of this Act, being deemed of immediate importance,
4 12 takes effect upon enactment and applies retroactively to April
4 13 1, 2003.
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CHRISTOPHER C. RANTS
Speaker of the House

JOHN P. KIBBIE
President of the Senate

4 25 I hereby certify that this bill originated in the House and
4 26 is known as House File 864, Eighty-first General Assembly.
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MARGARET THOMSON
Chief Clerk of the House

4 32 Approved _____, 2006
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5 1 THOMAS J. VILSACK
5 2 Governor